

**MAXIMUM MORTGAGE CALCULATION
LIMITED 203(k) PROGRAM
REFINANCE TRANSACTION**
Properties Acquired Less Than 12 Months Prior to Case # Assignment Date

Step 1: Establishing Financeable Repairs and Improvement Costs , Fees and Reserves		
A.	Financeable Repair and Improvement Costs and Fees Total (<i>sum of A1 thru A4</i>)	\$ _____
	1. Costs of construction, repairs and rehabilitation	\$ _____
	2. Inspection Fees (work Performed during Rehabilitation)	\$ _____
	3. Title Update Fees	\$ _____
	4. Permit Fees	\$ _____
B.	Financeable Contingency Reserves	\$ _____
C.	Financeable Mortgage Fees (<i>sum of C1 and C2</i>)	\$ _____
	1. Origination Fee (Greater of \$350 or 1.5% of (sum of 1A+1B)	\$ _____
	2. Discount Points on 1A	\$ _____
D.	Total Rehabilitation Costs, Fees and Reserves (Sum of 1A , 1B & 1C) = "Step 1 Total" (Not to exceed \$35,000)	\$ _____

Step 2: Establishing Value		
A.	Existing Debt on property being refinanced (sum of A1 thru A7)	\$ _____
	1. Unpaid principal balance (1 st lien)	\$ _____
	2. Unpaid principal balance (junior liens)	\$ _____
	3. Interest due on existing mortgage(s)	\$ _____
	4. MIP due on existing mortgage(s)	\$ _____
	5. Prepayment penalties, if applicable	\$ _____
	6. Late charges	\$ _____
	7. Escrow shortages	\$ _____
B.	Estimated Closing Costs and Prepaid Expenses Assoc. with new loan	\$ _____
C.	Sum of 2A and 2B	\$ _____
D.	As-Is Property Value *	\$ _____
Adjusted As-Is Value		
E.	Lesser of 2C or 2D	\$ _____
After Improved Value		
F.	Appraised Value (subject to Repairs and Improvement)	\$ _____

* An As-Is Appraisal is always required

Mortgagees must consult HUD Handbook 4000.1 for detailed guidance on 203(k) loan transactions.

**MAXIMUM MORTGAGE CALCULATION
LIMITED 203(k) PROGRAM
REFINANCE TRANSACTION**
Properties Acquired Less Than 12 Months Prior to Case # Assignment Date

Step 3: Calculating Maximum Mortgage Amount		
A.	Step 2A + 1D (i.e. Existing Debt + Step 1 Total)	\$ _____
B.	Estimated Closing Costs and Prepaid Expenses Assoc. with new loan	\$ _____
C.	Sum of 3A & 3B	\$ _____
D.	2E + 1D (i.e. Adjusted As-Is Value + Step 1 Total)	\$ _____
E.	2F [i.e. After Improved Value] x 110% (100% for Condominiums)	\$ _____
F.	Lesser of 3D or 3E (\$ _____) x 3I _____% (i.e. Appropriate LTV Factor)	\$ _____
G.	Nationwide Mortgage Limit	\$ _____
H.	Base Mortgage Amount (Lesser of 3C, 3F or 3G)	\$ _____

I. Determining Loan-To-Value Factor for Maximum Mortgage Eligibility				_____ %
	Basis	Criteria	Maximum LTV Factor	
	MDCS	At or above 580	<input type="checkbox"/> 97.75%	
	MDCS	Between 500 and 579	<input type="checkbox"/> 90%	
	Secondary Residences	With HOC Approval	<input type="checkbox"/> 85%	

Step 4 Calculating the LTV for Application of Annual MIP		
A.	MIP LTV = 3H divided by 2F (i.e. Base Mortgage Amount divided by After Improved Value)	_____ %

Step 5: Establishing the Rehabilitation Escrow Account		
A	Repair and Improvement Costs, Fees & Reserves (Step 1 Total)	\$ _____
B	Initial Draw at Closing Total (sum of B1 thru B4)	\$ _____
	1. Permit Fees	\$ _____
	2. Origination Fees (Step 1: C1)	\$ _____
	3. Discount Points (Step 1:C2)	\$ _____
	4. Up to 50% of materials costs for items ordered but not yet paid for (under contract for delivery)	\$ _____
C.	Rehabilitation Escrow Amount Balance (Future Draws) = 5A minus 5B	\$ _____

MDCS = Minimum Decision Credit Score

Mortgagees must consult HUD Handbook 4000.1 for detailed guidance on 203(k) loan transactions.